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ABSTRACT

Based on personal experience of a non-university executive, suggestions are offered for management planning within the university. They include the premise that planning is essentially concerned with controlling and influencing the direction of change and that frustration often derives from difficulty in obtaining or influencing the direction of change. The model of the profit-making corporation is not appropriate to the university, but a systems approach is useful. It involves identifying activities undertaken, organization, constraints, and phenomena of decisions and behavior and explanations for them. An approach to planning is outlined which includes a model of decision making and policy formation. Procedures are given for changing decisions. Two additional views on management are also cited, those of Henri Fayol and Paul Drucker. For Fayol, managing means looking ahead, which makes the process of forecasting and planning a central activity. Drucker holds that management must always, in every decision and action, put economic performance first. (LBH)

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PROGRAMME ON INSTITUTIONAL
MANAGEMENT IN HIGHER EDUCATION

PROGRAMME SUR LA GESTION
DES ÉTABLISSEMENTS D'ENSEIGNEMENT SUPÉRIEUR

NATURE OF PLANNING AND ITS RELATION TO MANAGEMENT

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PART A.

NATURE OF PLANNING AND ITS RELATION TO MANAGEMENT

By Alfred C. MORRIS, Senior Research Fellow in University Planning and Organisation at the University of Sussex.

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Mr. Morris will draw upon his own background as an experienced non-university executive more recently engaged in studying Resource Allocation between and within British universities to suggest:

1. Universities are unique and advanced socio/economic organisational forms.

2. The profit orientated corporation may have more to learn from than to contribute to the development of institutions of Higher Education.

3. Planning is essentially concerned with controlling and influencing the direction of change.

4. Frustration (among students and staff) often derives from difficulty, real or imagined, in obtaining or influencing the direction of change.

5. Frustration can be reduced and decisions improved by formalising and making visible in a planning process the control and influence of change.

6. To question university objectives is to invite endless theological debate. Concern with objectives derives from a classical economic model which suggests that to specify objectives and then derive appropriate activities is the epitome of rationality.

7. The model of the profit making corporation is not appropriate to the university.

8. Policy in a university is determined by the clash of rival interests and values in a political process.

9. A 'Systems Approach' to the university is useful and involves identifying:

   1. activities undertaken
   2. the formal organisation
   3. the informal organisation
   4. the external constraints
   5. the observable phenomena of decisions and behaviour
   6. the rational explanation of the observed phenomena.

10. Such a 'Systems Approach' facilitates understanding of the university as a sub-system of a larged educational system and allows identification of the scope for change.

11. Choice is what planning is about.

12. A university is an institution (the embodiment of values) whereas an economic organisation serves specified ends.

13. The approach to planning recommended involves:

    A. acknowledgement of the unique nature of a university

    B. recognition of the distinction between economic and political rationality

    C. an ambition to improve decisions by attention to the policy-making process and the input to political debate of more accurate and relevant information.

    D. emphasis on the need to anticipate behavioural response to change (including change in administrative systems and procedures) and effort to induce co-incidence of behavioural response with pursuit of economic efficiency in the prosecution of politically determined activity.

14. The form in which information is classified and used affects the actions of policy makers.

15. A 'Systems Approach' will identify a capacity for change which will vary from institution to institution and country to country.

16. The extent of the capacity for change located at institutional level helps determine the form of planning process required.

17. Compare the views on Management of Henri Fayol and Paul Drucker as encapsulated in the extracts attached.

18. Planning is near synonymous with decision taking.

19. There is a distinction between Administration and Management, it relates to the discretion allowed in taking decisions.

20. Policy is a higher order form of decision which facilitates delegation and necessary bureaucracy.

21. Geoffrey Lockwood in his article 'Planning in a University' describes a 'participative' process.

22. To improve planning involves improving decisions. An improved decision must be a different decision. You need a model of decision making which invites thought as to how change in decisions might be obtained, a model

of decision making and policy formation is:

A. Decision making implies choice between alternatives

B. Decision makers start with a perception of the existing state

C. Decision makers seek to move toward an improved state

D. Decision makers identify a feasible set of alternatives

E. Decision makers choose

F. Decision makers individual values, multiplied by structurally implicit political weights, collide to produce a 'general preference function'

G. Decision makers choose between alternative prospective states by implicit reference to the 'general preference function'.

23. To change decisions you should concentrate on four factors:

A. The accuracy of the initial perception, for example by improving the accuracy, detail, relevance and comprehensiveness of accounting and control information; the extent to which competing task systems (e.g. teaching and research) are delineated and substitutive elements juxtaposed to invite marginal analysis.

B. Extending the identified set of alternatives, for example by improving the servicing of decision making forums (usually committees) by administrators and the degree of technical skill and expertise made available - particularly analytical skills and techniques.

C. The accuracy of the perception of what will result, for example by use of analytical skills and techniques to identify incremental resource implications which combined with an accurate initial perception allow accurate description of alternative futures.

D. Change the organisation structure, systems and procedures, for example by restructuring of the organisation to recognise overtly the competition of objectives and task systems, to articulate role conflict, and to encourage the co-incidence of behavioural response to systems and procedures with the pursuit of economic rationality; improved internal 'market research' aimed at identifying the attitudes and preferences of the internal public.

24. The above model and approach implies the importance and invites the sophistication of techniques - particularly insofar as they potentially improve perceptions of 'what is' and of 'what might be'. This is where PPBS may be able to help.

TWO VIEWS ON MANAGEMENT

Henri FAYOL

Fayol, a French engineer who spent over 30 years as an industrial manager, emphasised Managerial activity as universal to all organizations and it is significant to note the premier position he accorded planning in his definition of management as comprising five elements :

1. To forecast and plan (in the French, prévoyance): 'examining the future and drawing up the plan of action'.

2. To organize: 'building up the structure, material and human, of the undertaking'.

3. To command: 'maintaining activity among the personnel'.

4. To coordinate: 'binding together, unifying and harmonizing all activity and effort'.

5. To control: 'seeing that everything occurs in conformity with established rule and expressed command'.

For Fayol, managing means looking ahead, which makes the process of forecasting and planning a central activity. Management must 'assess the future and make provision for it'. To function adequately an organization needs a plan which has the characteristics of 'unity, continuity, flexibility and precision'. The problems of planning what management must overcome are: making sure that the objectives of each part of the organization are securely welded together (unity); using both short and long-term forecasting (continuity); being able to adapt the plan in the light of changing circumstances (flexibility and attempting to accurately predict courses of action (precision). The essence of planning is to allow the optimum use of resources.

Paul DRUCKER

A more recent writer on management, the American Paul Drucker, insists "....That management is the specific organ of the business enterprise...it sets management apart from all other governing organs of all other institutions. The Government, the Army or the Church - in fact, any other institution - has to have an organ which, in some of its function, is not unlike the management of the business enterprise. But management as such is the management of a business enterprise. And the reason for the existence of a business enterprise is that it supplies economic goods and services. To be sure, the business enterprise must discharge its economic responsibility so as to strengthen society, and in

accordance with society's political and ethical beliefs. But these are (to use the logician's term) accidental conditions limiting, modifying, encouraging or retarding the economic activities of the business enterprise. The essence of business enterprise, the vital principle that determines its nature, is economic performance.

Management must always, in every decision and action, put economic performance first. It can only justify its existence and its authority by the economic results it produces. There may be great non-economic results: the happiness of the members of the enterprise, the contribution to the welfare or culture of the community, etc. Yet management has failed if it fails to produce economic results. It has failed if it does not supply goods and services desired by the consumer at a price the consumer is willing to pay. It has failed if it does not improve or at least maintain the welath-producing capacity of the economic resources entrusted to it.

In this the management is unique. A General Staff will ask itself quite legitimately whether its basic decisions are compatible with the economic structure and welfare of the country. But it would be greatly remiss in its duty were it to start its military deliberations with the needs of the economy. The economic consequences of military decisions are a secondary, limiting factor in these decisions, not their starting point or their rationale. A General Staff, being the specific organ of a military organization must, by necessity, put military security first. To act differently would be a betrayal of its responsibility and dangerous malpractice. Similarly, management, while always taking into consideration the impact of its decisions on society, both within and without the enterprise, must always put economic performance first.

The first definition of management is therefore that it is an economic organ, indeed the specifically economic organ of an industrial society. Every act, every decision, every deliberation of management has as its first dimension an economic dimension."